

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7432

BILL NUMBER: HB 1717

DATE PREPARED: Jan 1, 2001

BILL AMENDED:

SUBJECT: Research and Technology Funding.

FISCAL ANALYST: Chuck Mayfield

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		25,500,000	
Net Increase (Decrease)		(25,500,000)	

Summary of Legislation: This bill establishes the University Partnership for Strategic Assistance to Research and Technology Fund. It requires the Indiana Twenty-first Century Research and Technology Fund Board to review proposals for establishing regional technology centers. The bill transfers \$24,000,000 from the Lottery and Gaming Surplus Account to the University Partnership for Strategic Assistance to Research and Technology Fund. It also appropriates this money to the Budget Agency to pay operating and capital costs of establishing regional technology centers through June 30, 2005. This bill appropriates an additional \$1,500,000 from the State General Fund for the Purdue Technology Assistance Program in FY 2002.

Effective Date: Upon passage; July 1, 2001.

Explanation of State Expenditures: The bill requires that the Indiana Twenty-First Century Research and Technology Fund Board may approve the creation of up to six regional technology centers. The centers must be affiliated with an Indiana public or private university and nurture the development and expansion of high technology ventures with the potential to become high growth businesses.

The bill transfers \$24 M in FY 2002 from the Lottery and Gaming Surplus Account to the University Partnership for Strategic Assistance to Research and Technology (UPSART) Fund. The \$24 M is then appropriated from the UPSART Fund to the State Budget Agency from FY 2002 through FY 2005. These

funds are subject to the following:

1. Not more than \$5 M may be allotted for temporary operating subsidies to new centers.
2. A single center may not receive more than \$1,250,000 in operating subsidies.
3. A single center may not receive more than \$3 M to subsidize construction or rehabilitation of physical facilities.
4. Not more than \$3 M may be allotted for the expansion of the Purdue Technology Center at Purdue Research Park.
5. Not more than \$250,000 may be used for administration.
6. Not more than \$1 M may be allotted for the expansion of the Gateway Support Services program at the Purdue Technology Center to provide training and technical support to newly created centers.

Under the current statute, surplus Lottery revenue is first transferred to the Teachers' Retirement Fund (TRF) and the Pension Relief Fund (PRF). Once these transfers are made, surplus Lottery revenue is then distributed to the Lottery and Gaming Surplus Account (LGSA) within the Build Indiana Fund.

The LGSA also receives surplus gaming revenues (revenues from the Riverboat Wagering Tax, the Parimutuel Wagering Tax, and the Charity Gaming Excise Tax). A statutorily determined amount of revenue in the LGSA is transferred each year to the Motor Vehicle Excise Tax Replacement Account (MVETRA) within the state General Fund. (Beginning with FY 2002 and continuing each year thereafter this amount is equal to approximately \$236.2 M.) The remaining money in the LGSA is then transferred to the State and Local Capital Projects Account (SLCPA). The table below outlines the actual and estimated Lottery and gaming revenue for FY 2000 to FY 2003, along with the required statutory distributions.

Surplus Lottery and Gaming Revenue & Distributions (Millions)

Revenues & Distributions	FY 2000 (Actual)	FY 2001 (Projected)	FY 2002 (Projected)	FY 2003 (Projected)
Surplus Lottery Revenue	\$173.3	\$167.0	\$167.0	\$167.0
TRF Transfer	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
PRF Transfer	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
Surplus Lottery Revenue to the LGSA	\$113.3	\$107.0	\$107.0	\$107.0
Surplus Gaming Revenue to the LGSA	\$252.5	\$256.6	\$256.6	\$256.6
Interest	\$18.1	\$14.0	\$14.0	\$14.0
Total Revenue to LGSA	383.9	377.6	377.6	377.6
MVETRA Transfer	(\$219.8)	(\$234.7)	(\$236.2)	(\$236.2)
SLCPA Transfer	(\$164.1)	(\$142.9)	(\$141.4)	(\$141.4)

The balance of the BIF as of June 30, 2000, was \$342.1 M.

The bill also appropriates \$1.5 M from the State General Fund to Purdue University for the expansion of the Purdue University Technology Assistance program that provides university-based business assistance.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Budget Agency; Purdue University; Other institutions of higher education.

Local Agencies Affected:

Information Sources: State Budget Agency.